

and the unemployment rate is 5.2 percent. More Americans are working today than ever before. Homeownership is at an all-time high. Small businesses are flourishing. Families are taking home more of what they earn.

Obviously, these are hopeful signs. But Congress can make sure that the signs remain hopeful, and here are four good things they need to do.

First, they need to finish the work on an energy bill. We've gone more than a decade without an energy strategy. And as a result, we have grown more dependent on foreign sources of energy, and consumers see the consequences of that at the gas pump on a daily basis.

For the past 4 years, I've called on Congress to pass legislation that encourages energy conservation, that promotes domestic production in environmentally friendly ways, that helps diversify away from foreign oil, that modernizes the electricity grid, that's got a substantial amount of research and development money to help us transition from the hydrocarbon economy to a diversified source of energy economy.

The House passed a bill, and the Senate Energy Committee passed an energy bill this past week. I appreciate their good work. Now they need to get the bill off the floor, into conference, resolve their differences, and get me a bill before the August recess. That's what the American people expect, and that's what I expect.

Second, Congress needs to be wise about the taxpayers' dollars. I proposed a disciplined Federal budget that holds discretionary spending growth below the rate of inflation and reduces discretionary spending for nonsecurity programs. The House and the Senate have worked together to pass a responsible budget resolution that meets our priorities and keeps us on track to cut the deficit in half by 2009. The weeks ahead will bring important decisions on spending bills, and the weeks ahead will bring in efforts to rein in mandatory spending. We look forward to working with Con-

gress to do just that. Congress must keep its commitment to spending restraint if we want this economy to continue to grow.

Third, Congress needs to ratify the Central American and Dominican Republic Free Trade Agreement; that's called CAFTA. This agreement is a good deal for American workers and farmers and small businesses. See, about 80 percent of the products from Central America and the Dominican Republic now enter the United States duty-free, yet our exports to Central America and the Dominican Republic face hefty tariffs. CAFTA will level the playing field by making about 80 percent of American exports to those countries duty-free. I've always said I'm for free and fair trade. This makes our trade with the CAFTA countries fair, and that's important. After all, the CAFTA agreement will open a market of 44 million consumers to our producers, to our workers, the products that our workers make, to our farmers.

We'll lower barriers in key sectors like textiles, which will make American manufacturers more profitable and competitive in the global market. It will keep jobs here in America. And it will support young democracies. And that's going to be important. There's a geopolitical as well as economic concern for CAFTA. And Congress needs to pass this piece of legislation.

And finally, Congress needs to move forward with Social Security reform. I'm going to continue traveling our country talking about Social Security reform. I'll remind our seniors who are getting a check today that nothing will change, and yet I'm going to continue to remind the people that we've got a serious problem for younger workers. Part of Social Security reform, Congress should ensure that future generations receive benefits equal to or greater than the benefits today's seniors get. And Congress should help those who rely most on Social Security by increasing benefits faster for low-income workers than those workers who are better off.

And as we permanently solve the Social Security problem, we need to make Social Security a better deal for younger workers by allowing them to take some of their own money and invest it in a voluntary personal savings account. A voluntary personal savings account is very similar to the personal savings account Members of Congress can do. See, my attitude is, if a personal savings account—a voluntary personal savings account is good enough for a Member of the United States Congress or a Member of the United States Senate—in other words, they felt that was a good enough deal for them so they could get a better rate of return—it surely seems like it's good enough for workers across the country.

And so I look forward to working with the United States Congress on these priorities to help strengthen the long-term economic security of the country. The American people expect people of both parties to work together. They look forward to the Congress setting aside partisan differences and getting something done. And so do I. I'm looking forward to that. So I look forward to welcome the Congress back and working together with them.

And now, I'll be glad to take some of your questions. Terry [Terence Hunt, Associated Press], why don't you start.

Situation in Iraq

Q. Thank you, Mr. President. Mr. President, since Iraq's new Government was announced on April 28th, more than 60 Americans and 760 Iraqis have been killed in attacks. Do you think that the insurgency is gaining strength and becoming more lethal? And do you think that Iraq's Government is up to the job of defeating the insurgents and guaranteeing security?

The President. I think the Iraq Government will be up to the task of defeating the insurgents. I think they dealt the insurgents—I think the Iraqi people dealt the insurgents a serious blow when they—when we had the elections. In other words, what

the insurgents fear is democracy, because democracy is the opposite of their vision. Their vision is one where a few make the decision for many, and if you don't toe the line, there's serious consequences.

The American people have just got to think about the Taliban if you're interested in thinking—understanding how the insurgents think. They have a—they support an ideology that is the opposite of freedom, in my judgment, and they're willing to use the tools necessary—the terror tools necessary to impose their ideology. And so what you're seeing is a group of frustrated and desperate people who kill innocent life. And obviously, we mourn the loss of every life. But I believe the Iraqi Government is going to be plenty capable of dealing with them, and our job is to help train them so that they can.

I was heartened to see the Iraqi Government announce 40,000 Iraqi troops are well-trained enough to help secure Baghdad. That was a very positive sign. It's a sign that they, the Iraqi leaders, understand they are responsible for their security, ultimately, and that our job is to help them take on that responsibility.

So I'm pleased with the progress. I am pleased that in less than a year's time, there's a democratically elected Government in Iraq; there are thousands of Iraqi soldiers trained and better equipped to fight for their own country; that our strategy is very clear in that we will work to get them ready to fight, and when they're ready, we'll come home. And I hope that's sooner rather than later. But nevertheless, it's very important that we complete this mission, because a free Iraq is in our Nation's long-term interests. A democracy in the heart of the Middle East is an essential part of securing our country and promoting peace for the long run. And it is very important for our country to understand that. A free Iraq will set such a powerful example in a neighborhood that is desperate for freedom. And therefore, we will complete

the mission and support this elected Government.

Of course, they've got other tasks. They've got to write a constitution and then have that constitution ratified by the Iraqi people, and then there will be another election. And we, of course, will help them as will many countries around the world.

Steve [Steve Holland, Reuters].

YUKOS Oil Co., Case in Russia

Q. The former head of Russia's oil company, Yukos, was sentenced to 9 years in a prison camp today. Do you think the Kremlin went after him because he was a political threat? Are there any repercussions to U.S.-Russian relations as a result of this case?

The President. I expressed my concerns about the case to President Putin because, as I explained to him, here you're innocent until proven guilty, and it appeared to us, or at least people in my administration, that it looked like he had been judged guilty prior to having a fair trial. In other words, he was put in prison and then was tried. I think what will be interesting—and so we've expressed our concerns about the system.

What will be interesting to see is whether or not he appeals. There's a—I think we think he is going to appeal—and then how the appeal will be handled. And so we're watching the ongoing case.

David [David Gregory, NBC News].

Iranian and North Korean Weapons of Mass Destruction

Q. Mr. President, thank you. I wonder if you can explain the administration's decision to allow Iran, in its negotiations with the Europeans, to get WTO status, ascension into the WTO, whether you think that deal, in a sense, has legs. And also, you talked about Iraq being a powerful symbol in that part of the world. One of the things you said going into the war was that it would deter other countries, rogue nations, from developing weapons of mass destruc-

tion. And when you think about North Korea and Iran, the opposite is true. They haven't been deterred at all. Why do you think that is?

The President. The first part of your question was about our agreement that Iran should apply for WTO. In other words, we said, "Fine. If you want to apply for WTO, go ahead and apply." That's—and we did that to facilitate the EU-3 discussions with Iran.

I've always believed that the—obviously, the best way to solve any difficult issue is through diplomacy. And in this case, France, Great Britain, and Germany are handling the negotiations on behalf of the rest of the world, which is—those nations which are deeply concerned about Iran having a nuclear weapon.

Now, our policy is very clear on that, and that is that the Iranians violated the NPT agreement. We found out they violated the agreement, and therefore, they're not to be trusted when it comes to highly enriched uranium—or highly enriching uranium. And therefore, our policy is to prevent them from having the capacity to develop enriched uranium to the point where they're able to make a nuclear weapon.

Secondly—and so therefore, we're working with the EU-3 to hopefully convince the Iranians to abandon their pursuits of such a program. And it appears we're making some progress.

So our decision was to allow them to join the WTO—or to apply to join the WTO, which is not ascension to the WTO; it's the right to make an application—seemed like a reasonable decision to make in order to advance the negotiations with our European partners.

Secondly, in terms of North Korea, North Korea had a weapons program that they had concealed, as you might recall, prior to 2002. As a matter of fact, it was prior to 2000—it was a bilateral—so-called bilateral agreement between North Korea and the United States. And it turns out

that they had violated that agreement because they were enriching uranium, contrary to the agreement. And we caught them on that. And therefore, I decided to change the policy to encourage other nations to be involved with convincing North Korea to abandon its weapons program. And that's where we are.

And it's important to have China at the table, for example, saying the same thing that the United States is saying, and that is, is that if you want to be a responsible nation, get rid of your weapons programs. It's important to have Japan and South Korea and Russia saying the same thing.

We've got a lot of work to do with the North Korean because he tends to ignore what the other five nations are saying at times. But that doesn't mean we're going to stop, and can continue to press forward to making it clear that if he expects to be treated as a responsible nation, that he needs to listen to the five nations involved.

Thank you.

Q. Would you acknowledge that the war did not deter Iran and North Korea from continuing to pursue their program?

The President. North Korea had its weapons program before, as you know, as did Iran. And as I also told you, David, that we want diplomacy to work, and it's—we want diplomacy to be given a chance to work. And that's exactly the position of the Government. Hopefully it will work. I think it will.

Stretch [Richard Keil, Bloomberg News].

Tax Cuts

Q. Thank you, Mr. President. A few moments ago, you mentioned four economic priorities that Congress has to address to keep the economy, in your words, going on the right track and getting stronger. I noticed you didn't mention making permanent the tax cuts that had been passed during your first term. Was that an oversight, or do you think that sacrificing some of those tax cuts might ultimately be necessary to help balance the budget deficit?

The President. Actually, in my budget, as you know, the budget I submitted, we—was one that encouraged permanency. I believe it's essential that we have the tax cuts be permanent. It was implicit in my statement. I haven't changed. Appreciate your clarification. Congress needs to make the tax cuts permanent.

Thalia [Thalia Assuras, CBS News]. And then we go to Terry [Terry Moran, ABC News].

Social Security Reform

Q. Mr. President, you talked on your reelection about having political capital. You have a Republican Congress. How, then, do you explain not being able to push through more of your agenda, especially when it comes to Social Security reform, which the public does not seem to be accepting and your own party is split on?

The President. Well, first of all, I think the public does accept the fact that Social Security is a problem. You might remember a couple of months ago around this town people were saying, "It's not a problem. What's he bringing it up for? Nobody sees it as a problem except for him." And then all of a sudden, people began to look at the facts and realize that in 2017, Social Security—the pay-as-you-go system will be in the red, and in 2042, it's going to be bankrupt. And people then took a good, hard look at the numbers and realized that Social Security is a problem.

And that's the first step toward getting Congress to do something. See, once they hear from the people, we got a problem, the next question the people are going to ask, "What do you intend to do about it?"

My second goal has been to convince and assure seniors that nobody's going to take away their checks. As a veteran of American politics, I have withstood the onslaught that said, "When George W. talks about reforming Social Security, that means he's going to take away your check." Over the last 4 years, seniors didn't have their checks taken away, so, hopefully, they're

beginning to realize that some of these—some of this politics is ringing hollow. But it's very important for seniors to understand that when we talk about Social Security reform, that they're going to get their check, because there's a lot of people relying upon their Social Security checks.

Thirdly—and so we're just making progress, and this is just the beginning of a very difficult debate. I recognize some in Congress wished I hadn't have brought the issue up. I mean, the easy path is to say, "Oh, we don't have a problem. Let's ignore it yet again." But I view my role as the President as somebody who puts problems on the table and then calls people together to solve them.

This is an issue that really hasn't spent—had that much time in the Halls of Congress—the debate—hasn't been debated in the Halls of Congress since 1983. And so I'm not surprised that there's a reluctance, and I'm not surprised that there's been some initial push-back. But all that does is make me want to continue to travel and remind people that Congress has a duty to come up with some solutions.

They're beginning to have hearings in the Congress. The Ways and Means and the Finance Committee in the Senate are going to have hearings. There's some interesting ideas that have been proposed. We've proposed some interesting ideas. One idea is to make sure that low seniors—low-income seniors get benefits such that when they retire, they're not in poverty. We proposed a plan that takes the—solving the issue about solvency farther down the road than any other President has proposed. In other words, we're putting ideas out.

And so I look forward to working with Congress. There is a duty to respond. There's a duty for people to bring forth their ideas. Now that people understand there's a problem, people who have been elected say, "Okay, here's what I intend to do about it." And we're doing our duty, and I expect people from both parties to do it as well.

Listen, I readily concede there is this attitude in Washington where we can't work together because one party may benefit and the other party may not benefit. The people don't like that. They don't like that attitude. They expect members of both parties to come together to solve problems. And Social Security is a serious problem that requires bipartisan cooperation to solve the problem.

Terry.

Q. Mr. President—

The President. Terry.

Allegations of Prisoner Abuse

Q. Thank you, sir. Mr. President, recently, Amnesty International said you have established "a new gulag" of prisons around the world, beyond the reach of the law and decency. I'd like your reaction to that and also your assessment of how it came to this, that that is a view not just held by extremists and anti-Americans but by groups that have allied themselves with the United States Government in the past, and what the strategic impact is that in many places of the world, the United States these days, under your leadership, is no longer seen as the good guy.

The President. I'm aware of the Amnesty International report, and it's absurd. It's an absurd allegation. The United States is a country that is—promotes freedom around the world. When there's accusations made about certain actions by our people, they're fully investigated in a transparent way. It's just an absurd allegation.

In terms of the detainees, we've had thousands of people detained. We've investigated every single complaint against the detainees. It seemed like to me they based some of their decisions on the word of—and the allegations—by people who were held in detention, people who hate America, people that had been trained in some instances to disassemble [dissemble] *—that means not tell the truth. And so it was

* White House correction.

an absurd report. It just is. And you know—yes, sir.

Legislative Agenda

Q. Sir, you mentioned a moment ago a push-back. And there's a perception that Congress has been pushing back recently. My question is, do you worry that you might be losing a bit of momentum?

The President. Well, I'm—my attitude toward Congress is—will be reflected on whether or not they're capable of getting anything done. We got a good budget out of Congress, and we got some legal reform out of Congress. We got Priscilla Owen confirmed in the Senate, which is a positive thing. It looks like we'll get a couple of more judges on the appellate bench confirmed. But I think the standard by which Congress should be judged is whether or not they can get an energy bill, and I think they will. And I look forward to working with them on an energy bill.

Obviously—I mentioned CAFTA—we've got to get CAFTA, which is a very important trade agreement. It will be good for workers. And I'm looking forward to working with them on Social Security. Those are big issues that require action. Again, things don't happen instantly in Washington, DC. I know that part of your job is to follow the process and follow the politics and who's up and who's down, but I've been around here long enough now to tell you it's just—and tell the people listening—things just don't happen overnight. It takes a while.

And one thing is for certain; it takes a President willing to push people to do hard things. Because, keep in mind, we haven't had an energy strategy in this country for over a decade. And the Social Security issue hasn't been on the table since 1983—I mean, seriously on the table. And so I'm asking Congress to do some difficult things. And I'm going to keep asking them to do some difficult things. And I'm optimistic, when it's all said and done, that we will

have come together and have helped solve some of these significant problems.

Q. Are you worried, sir, that you're losing some of your push?

The President. I don't worry about anything here in Washington, DC. I mean, I feel comfortable in my role as the President, and my role as the President is to push for reform. The American people appreciate a President who sees a problem and is willing to put it on the table.

Listen, admittedly, I could have taken the easy route and said, "Let's don't discuss Social Security until somebody else shows up in Washington." But that's not what the American people want from their President. And we have a serious problem in Social Security. Thalia asked about the Social Security issue, and I reminded her that the attitude is beginning to shift here in Washington, because for a while, people here said there really wasn't a significant problem and, "I wish he hadn't have brought it up." And now people are beginning to see the realities of Social Security and the fact that we're about to pass on a huge burden to a young generation of Americans—a burden, by the way, which doesn't have to be passed on. We can permanently solve Social Security and should permanently solve it. And I've laid out some initiatives to get us on the way to permanently solving Social Security.

I look forward to the day of sitting down with Republicans and Democrats and congratulating both political parties on doing what's right for the American people—a day, by the way, the American people expect to come as well.

VandeHei [Jim VandeHei, Washington Post].

Elections in Egypt/Uzbekistan

Q. Two questions about the consistency of a U.S. foreign policy that's built on the foundation of spreading democracy and ending tyranny. One, how come you have not spoken out about the violent crackdown in Uzbekistan, which is a U.S. ally in the

war on terror, and why have you not spoken out in favor of the pro-democratic groups in Egypt that see the election process there unfolding in a way that is anything but democratic?

The President. Well, I thought I did the other day, in terms of the Egyptians. I think you were traveling with Laura, maybe just got back, but I was asked about the Egyptian elections, and I said we expect for the Egyptian political process to be open and that for people to be given a chance to express themselves open—in an open way, in a free way. We reject any violence toward those who express their dissension with the Government. Pretty confident I said that with President Abbas standing here—maybe not quite as articulately as just then.

In terms of Uzbekistan—thanks for bringing it up—we've called for the International Red Cross to go into the Andijon region to determine what went on, and we expect all our friends as well as those who aren't our friends to honor human rights and protect minority rights. That's part of a healthy and a peaceful world, will be a world in which governments do respect people's rights. And we want to know fully what took place there in Uzbekistan, and that's why we've asked the International Red Cross to go in.

Let's see—Carl [Carl Cameron, FOX News].

Nomination of John R. Bolton

Q. Thank you, Mr. President. On your nomination of Mr. Bolton to the United Nations, it is now, by most accounts, under a filibuster, the Democrats refusing to invoke cloture last week. I wonder if you could address their demands for ongoing documents, in the case of Mr. Bolton's nomination as well as what many Republicans have now criticized as a pervasive attitude of filibustering on behalf of the opposition on Capitol Hill.

The President. You know, I thought—I thought John Bolton was going to get

an up-or-down vote on the Senate floor, just like he deserves an up-or-down vote on the Senate floor, and clearly he's got the votes to get confirmed. And so I was disappointed that once again, the leadership there in the Senate didn't give him an up-or-down vote. And the reason it's important to have an up-or-down vote is because we need to get our Ambassador to the United Nations to help start reforming that important organization.

As I mentioned to you, I think at the press conference in the East Room, that the reason I picked Bolton is he's a no-nonsense kind of fellow who can get things done. And we need to get something done in the United Nations. This is an organization which is important. It can help a lot in terms of the democracy movement; it can help deal with conflict and civil war. But it's an organization that is beginning to lose the trust of the American people, if it hasn't already, and therefore, we need to restore that trust. We pay over \$2 billion a year into the United Nations, and it makes sense to have somebody there who's willing to say to the United Nations, "Let's—why don't you reform? Let's make sure that the body works well and there's accountability and taxpayers' money is spent wisely." And it's important that people in America trust the United Nations, and Bolton will be able to carry that message.

Now, in terms of the request for documents, I view that as just another stall tactic, another way to delay, another way to not allow Bolton to get an up-or-down vote. We have—we've answered questions after questions after questions. Documents were sent to the Intelligence Committee. The Intelligence Committee reviewed the NSA intercept process and confirmed that Bolton did what was right. And so it's just a stalling tactic. And I would hope that when they get back that they stop stalling and give the man a vote. Just give him a simple up-or-down vote.

Q. What about the filibuster as a tactic, in general, sir?

The President. Well, it's certainly been a tactic that's been used on judges and Bolton, if this is a filibuster. I don't know what you call it. I'm not sure they actually labeled it filibuster. I'd call it—thus far, it's a stall—stall headed toward filibuster, I guess. All I know is the man is not getting a vote, and it's taking a long time to get his vote. And we've—he's been through hearings and questions and questionnaires. And it's pretty obvious to the American people and to me that you can tie up anything in the United States Senate if you want to. But it also ought to be clear that we need to get an ambassador to the United Nations as quickly as possible. And so I hope he gets a vote soon.

Dick [Richard Stevenson, New York Times].

Bioethics/Stem Cell Research

Q. Thank you, sir. Last week you made clear that you don't think there's any such thing as a spare embryo. Given that position, what is your view of fertility treatments that routinely create more embryos than ever result in full-term pregnancies? And what do you believe should be done with those embryos that never do become pregnancies or result in the birth of a child?

The President. As you know, I also had an event here at the White House with little babies that had been born as a result of the embryos that had been frozen—they're called "snowflakes"—indicating there's an alternative to the destruction of life.

But the stem cell issue, Dick, is really one of Federal funding. That's the issue before us and that—is whether or not we use taxpayers' money to destroy life in order to hopefully find cure for terrible disease. And I have made my position very clear on that issue, and that is I don't believe we should. Now, I made a decision a while ago that said there had been some existing stem cells, and therefore, it was okay to use Federal funds on those because

the life decision had already been made. But from that point going forward, I felt it was best to stand on principle, and that is taxpayers' money to use—for the use of experimentation that would destroy life is a principle that violates something I—I mean, is a position that violates a principle of mine. And so—and I stand strong on that, to the point where I'll veto the bill as it now exists.

And having said that, it's important for the American people to know that there is some Federal research going on, on stem cells—embryonic stem cells today. There's been over 600 experiments based upon the stem cell lines that existed prior to my decision. There's another 3,000 potential experiments, they tell me, that can go forward. There's a lot of research going on, on adult stem cell research. We've got an ethics panel that has been—that is in place, that will help us, hopefully, develop ways to continue to figure out how to meet the demands of science and the need for ethics so that we can help solve some of these diseases.

And listen, I understand the folks that are deeply concerned for their—a child who might have juvenile diabetes. I know that the moms and dads across the country are in agony about the fate of their child. And my message to them is, is that there is research going on, and hopefully we'll find the cure. But at the same time, it's important in the society to balance ethics and science.

Ed [Ed Chen, Los Angeles Times].

North Korea

Q. Good morning, Mr. President. This morning you reiterated diplomacy as the way to deal with North Korea. With all due respect, some people say that's precisely the wrong approach because diplomacy has produced nothing, while at the same time it has allowed North Korea to progress in its nuclear program.

The President. Yes.

Q. How do you—what do you say to them?

The President. Well, then let's see. If it's the wrong—if diplomacy is the wrong approach, I guess that means military. That's how I view it. It's either diplomacy or military, and I am for the diplomacy approach. And so, for those who say that we ought to be using our military to solve the problem, I would say that, while all options are on the table, we've got a ways to go to solve this diplomatically, and—

Q. How long?

The President. Well, let me finish. No, I always get asked that, how long? How long are you going to do this? How long is that going to happen? Why don't you give us a timetable? I'm not giving timetables. I am going to say that we are—and it's very important for our partners to understand that I believe the six-party talks can and will work. We're constantly in touch with our Chinese counterparts. Sometimes people move a little slower than American society in the world. And sometimes expectations around the world are maybe different from ours. But fortunately, we've got everybody on the same page that says that the idea of North Korea having a nuclear weapon isn't good.

And by the way, that started with, as you know—might recall, the visit I had with Jiang Zemin in Crawford. And we came out of that visit with a common declaration that said it's in our interests that North Korea not have a nuclear weapon. And that was a positive step forward because once you get a country to commit to that goal, then it makes it—enables us to work together to achieve that goal in a peaceful way.

The other thing is, is that it's clear from the other five parties there—the other four parties in our five-party coalition dealing with the sixth party, which is North Korea—is that people do want to solve this issue diplomatically. And so it's a matter of continuing to send a message to Mr. Kim Chong-il that if you want to be accept-

ed by the neighborhood and be a part of the—of those who are viewed with respect in the world, work with us to get rid of your nuclear weapons program.

Jonathan [Joe Curl, Washington Times].

Culture of Life

Q. Mr. President, you often talk about a culture of life and also about your responsibility as President to lead. Looking forward, what specific policy initiatives will you propose in the balance of your Presidency to expand the culture of life?

The President. Well, part of it, Jonathan, is just to—is to constantly remind people that we have a responsibility to the less—to the least of us in our society. I mean, part of a culture of life is to continue to expand the Faith-Based and Community-Based Initiative to help people who hurt. Part of it is to recognize that in a society that is as blessed as we are that we have a responsibility to help others, such as AIDS victims on the continent of Africa or people who hunger in sub-Sahara, for example.

So the culture of life is more than just an issue like embryonic stem cell. It's promoting a culture that is mindful that we can help—to help save lives through compassion. And my administration will continue to do so.

Let's see here. Oren [Oren Dorell, USA Today]. Fine-looking shades you got there.

North Korea

Q. Mr. President, back to North Korea for a second. Why has the United States scrapped the one link between our militaries when there's been no threat or harm to Americans participating in those missions to recover bodies of Americans killed in action during the Korean war there?

The President. The Secretary of Defense decided to take a—what he's referring to is, is that we have—I wouldn't called it "scrapped"—is that the verb you used? "Scrapped"?

Q. I did say that.

The President. Yes, scrapped. I would use a different verb. I would use “reassess” the mission. See, “scrapped” means that we’re not going to do it ever again, I think is what that means. And what the Secretary of Defense has said, “Let me just take a look and make sure that as we send people into North Korea, that we’re fully mindful of them being able to go in and get out.” No immediate threat, just an assessment, is how I would put it. But thank you for the question.

Yes, John [John McKinnon, Wall Street Journal].

Judicial Nominations

Q. Thank you, sir. Can you talk a little bit about the process you’re using to pick your next Supreme Court Justice? And is that going to be affected at all by the agreement that was reached between the 14 Republicans and Democrats on judicial nominations?

The President. Well, that depends on whether or not the Senate will give my person an up-or-down vote. Here’s my process. One, I’m obviously going to spend a lot of time reviewing the records of a variety of people and looking at their opinions and their character and will consult with Members of the United States Senate at the appropriate time.

I know there’s been a lot of talk about consultation between the White House and the Senate, and we do consult—obviously, we consult on district judges—and that we listen to their opinions on appellate judges—“their” opinions being the opinions from the home-State Senators as well as others.

I look forward to talking to Members of the Senate about the Supreme Court process to get their opinions as well and will do so—and will do so. But obviously, it’s—I told the American people I would find people of a certain temperament that would serve on the bench, and I intend to do that. But we will consult with the Senate.

Now, in terms of whether that agreement means that a Senator is going to get an up-or-down vote, I guess it was vague enough for people to interpret the agreement the way they want to interpret it. I’ll put a best face on it, and that is that since they’re moving forward with Judge Owen, for example, and others, that “extraordinary circumstances” means just that—really extraordinary. I don’t know what that means. [Laughter] I guess we’re about to find out when it comes to other appellate judges. [Laughter]

But I was pleased to see Priscilla Owen get an up-or-down vote, and she passed quite comfortably. She’s a very good judge. And then, of course, Pryor and Judge Brown will be coming up pretty soon, I hope, and I would hope they would get confirmed as well. They’re good judges.

Herman [Ken Herman, Austin American-Statesman].

May 11 Security Alert

Q. Good morning, Mr. President.

The President. Thank you for that.

Q. Thank you. Back on May 11th, I believe was the date, as you were off campus for recreation, a small plane came into restricted airspace, the alarm went off here at your house, a military operation ensued over Washington. Your staff says you were not notified because that was the protocol. Two questions: Do you think you should have been notified, and is there something wrong with protocols that render the President unnecessary when there’s a military operation over Washington?

The President. Obviously, we do have a protocol in place to be dealing with a situation that can unfold very rapidly. And these planes enter the airspace quickly, and so there’s got to be something in place that can be dealt with in an expeditious matter. And we have such a plan, and I’m comfortable with the plan. And secondly, I was comfortable with the decision by the people around me there, out there in Maryland. Any time a situation like this comes up,

people are constantly reviewing the situation, but I was very comfortable with the decision they made.

Q. Do you often disagree with your wife?

The President. Herman—[laughter]—here's the way it is. She often disagrees with me. [Laughter] Thank you very much, Herman, for that.

Matt Cooper [Time]. Here we go—no, go with the mike, Matt. We want you heard. We want you resonating around the country.

China-U.S. Relations

Q. I appreciate that, Mr. President, thank you. My question is about China, which looms larger in the lives of Americans, sir. They finance an ever-larger part of our trade deficit. Americans are concerned about China's growing economic might, and, of course, about the oppression of human rights and religious minorities there. My question, sir, is how should Americans think about China? As an ally? A rival? Competitor? Friend?

The President. I think that we ought—it is a—the relationship with China is a very complex relationship, and Americans ought to view it as such. China is a emerging nation. It's an amazing story to watch here. I mean, it's consuming more and more natural resources. It is generating jobs and exporting a lot of goods. It's a massive market.

And so, on one hand, we ought to look at China as an economic opportunity, and the best way to deal with China is to say, "Look, there are some rules, and we expect you to abide by the trade rules." And as this—as she grows and as trade becomes more complex, you'll see more and more instances where the United States is insisting upon fair trade. We expect our—expect to deal with—expect China to deal with the world trade in a fair way.

Now, in terms of security matters, obviously, we just spent a lot of time talking about North Korea. China can be a very good partner in helping to secure the

world. The best way to convince Kim Chong-il to get up—give up his weapons is to have more than one voice saying the same thing. And therefore, China is a partner in this case, in terms of helping to secure that part of the world from nuclear weapons.

China as well can be helpful in the war on terror. They're just as concerned as we are on the war on terror.

China is a—obviously, there's tension on—about Taiwan that we have to deal with. And I made my position very clear and very consistent about Taiwan. The Taiwanese understand my position; the Chinese understand my position. So, in this case, the relationship is one of helping to solve that problem, is to keeping stability in the region so that eventually there will be a peaceful solution to that issue.

And so China is a fascinating country that is significant in its size. Its economy is still small but growing. But as well, I believe we have an obligation to remind the Chinese that any hopeful society is one in which there's more than just economic freedom, that there's religious freedom and freedom of the press. And so, in my meetings with the different Chinese leaders with whom I've had the honor of meeting, I've always brought up issues such as the Dalai Lama or the Catholic Church's inability to get a bishop into the country or the need for the country not to fear evangelicals but to understand religious freedom leads to peace. And so I'll continue doing that so long as I'm the President and, at the same time, help deal with this very complex relationship.

Let's see here—David Greene [Baltimore Sun]. Did you have your hand up?

Historical Assessment of Iraq

Q. I did, sir. Thank you very much, Mr. President. At the Naval Academy last week, you spoke of a midshipman named Edward Slavis, who graduated and has served in Iraq. And you quoted him as saying that the mission will be a success, and 20 or

30 years from now, historians will look back on it and consider it America's golden moment.

The President. Yes.

Q. I'm wondering, sir, if you agree with that assessment, and, if so, why?

The President. I do, David, because I believe that as a result of the actions we have taken, we have laid—begun to lay the foundation for a democratic movement that will outlast this administration, a democratic movement that will bring peace to a troubled part of the world.

I—you probably suffered through this part of my speech on the campaign a lot when I talked about my relationship with Koizumi. And since you haven't heard it for a while, I thought I'd bring it up again. I know. Okay, Stretch, look, it's nice and warm; it's a good chance for you to hear the story again. [Laughter]

You know, I reminded people that because Japan is a democracy, Japan is now a great friend. We work together on big issues, and yet it wasn't all that long ago that we warred with Japan. In other words, democracies have the capability of transforming nations. That's what history has told us. And I have faith in the ability of democracy to transform nations. And that's why, when I talked about Iraq earlier, that we've laid the—begun to lay the foundation for a democratic, peaceful Iraq. Someday, an American President is going to be dealing with an Iraqi—elected Iraqi President, saying—or Prime Minister, saying, "What we can we do together to bring peace to the region?" In other words, it's a platform for peace. And yes, I do believe—I agreed with the man.

These are incredibly hopeful times and very difficult times. And the problem is, is that I not only see the benefits of democracy, but so do the terrorists. And that's why they want to blow people up, indiscriminately kill, in order to shake the will of the Iraqis or perhaps create a civil war or to get us to withdraw early. That's what they're trying to do, because they fear de-

mocracy. They understand what I just—they understand what I understand; there's kind of a meeting of minds on that. And that's why the American people are seeing violent actions on their TV screens, because these people want to—the killers want us to get out. They want us to—they want the Iraqis to quit. They understand what a democracy can mean to their backward way of thinking.

So I do agree with the man. I thought it was a pretty profound statement, and I was pleased to be able to share it with the folks there at Annapolis.

A couple of more, then I got to hop. Keith [Keith Koffler, Congress Daily]. I get to leave. That's not a very—a couple of more, and then I have to retire, as opposed to hopping.

Social Security Reform

Q. Thank you very much, Mr. President. Sir, most Democrats continue to refuse to negotiate with you on Social Security until you take payroll-tax-funded personal accounts off the table. Would you insist on these accounts if it means no deal on Social Security?

The President. We're just beginning the process, and I want to remind people that—who might be listening that this is not an easy issue for people in Washington, DC, to discuss. There's a lot of people calculating the political consequences of making a tough vote, you know. Or they're—they remember the old campaigns of the past where if you even talk about Social Security, somebody will use your words to try to defeat you at the polls.

So this is a process here, and in that you love to follow the process, I will give you some insight into what I think is going to happen in the process. It's just going—it's like water cutting through a rock. It's just a matter of time. We're just going to keep working and working and working, reminding the American people that we have a serious problem and a great opportunity

to act not as politicians but as states men and women to solve a problem.

And so—oh, I know, I've read about so-and-so, "We're not going to talk about this," and, "We're going to throw down this marker." But in the meantime, the people are watching Washington, and nothing is happening, except you got a President who's willing to talk about the issue and a President who, by the way, is going to keep talking about the issue until we get people to the table.

I repeat to you, Keith, the Social Security issue is a really important issue for an upcoming generation. I mean, imagine realizing that we've got a problem and then not doing anything about it and watching a young generation get taxed, perhaps by as much as a payroll tax of 18 percent. How would that make somebody feel? That we shirked our duty, that we weren't responsible citizens.

Secondly, we've been at this for a couple of months, looking forward, and it takes a while in Washington, DC. Now, I know people want things done tomorrow—or yesterday, and if they're not done, they say, "Well, the thing has fallen apart." That's not the experience I've had in Washington, DC. I can remember the tax debate, where things didn't happen quite as quickly as some liked, but nevertheless, we got something done. And I'm convinced we're going to get other things done here in Washington.

But the President has got to push. He's got to keep leading, and that's exactly what I'm going to do. And when we get something done, there will be plenty of time to share the credit. People—to me, this

is an issue that is one in which people from both parties ought to take great pride in coming to the table to get something done.

One thing is for certain: The party that I represent is leading. I mean, we're willing to take the lead and say, "Here's what we believe. Here's why we believe it," willing to take a message to the American people that is a positive message and one that says, "We recognize a problem. Now let's work together to solve it." And so I think as people make their calculations, that I think the American people are going to end up saying to those who have been willing to lead on the issue and talk about the issue and be constructive on the issue, "Thanks for what you're doing, and we'll send you back up there with our vote, because that's the kind of spirit we like."

Listen, thank you all for coming out. Enjoyed it.

NOTE: The President's news conference began at 10:43 a.m. in the Rose Garden at the White House. In his remarks, he referred to Mikhail Khodorkovsky, founder and former chief executive officer, YUKOS Oil Co., who was convicted of fraud and tax evasion on May 31 in Russia; President Vladimir Putin of Russia; Chairman Kim Chong-il of North Korea; President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; former President Jiang Zemin of China; William H. Pryor, Jr., judicial nominee, U.S. Circuit Judge for the Eleventh Circuit; Janice R. Brown, judicial nominee, U.S. Circuit Judge for the District of Columbia Circuit; and Prime Minister Junichiro Koizumi of Japan.

Statement on the Proliferation Security Initiative

May 31, 2005

Since the Proliferation Security Initiative was launched in Krakow, Poland, 2 years

ago, nations around the world have been cooperating to develop new and dynamic

approaches to stop the global trafficking of weapons of mass destruction. To counter proliferation networks, we are working in common cause with like-minded states prepared to make maximum use of their laws and capabilities to deny rogue states, terrorists, and black marketeers access to WMD-related materials and delivery means.

Today, more than 60 countries are supporters of the PSI. Its global reach continues to expand, most recently by endorsements from Argentina, Georgia, and Iraq. The goals of PSI have been endorsed by the United Nations Security Council in Resolution 1540.

Through training exercises involving military, law enforcement, customs, intel-

ligence, and legal experts, many PSI partners are developing new tools to improve their national and collective capacities to interdict WMD and related shipments—whether on land, at sea, or in the air.

On this foundation, PSI partners are building a record of success by stopping the transshipment of WMD-related materials, prosecuting proliferation networks, and shutting down front companies trafficking in WMD materials.

I urge all responsible states to join this global campaign by endorsing the PSI Statement of Interdiction Principles and by committing to work to end the security threat posed by the proliferation of weapons of mass destruction.

Remarks Following Discussions With President Thabo Mbeki of South Africa and an Exchange With Reporters *June 1, 2005*

President Bush. Mr. President, welcome back.

We've just had a wide-ranging discussion on very important issues. We spent time talking about our bilateral relations. I would characterize our bilateral relations as strong. We spent time talking about the continent of Africa.

And Mr. President, I want to thank you for your leadership. South Africa is a great country. The President has used his position to not only better the lives of his own people but to work to bring stability and peace to the region and to the continent.

We talked about several situations that are of concern to our Government, most notably Darfur. I want to thank you for your leadership there. The President has got troops there. Deputy Secretary Zoellick is on the way to Darfur. This is a serious situation. As you know, former Secretary of State Colin Powell, with my concurrence, declared the situation a genocide. Our Government has put a lot of money

to help deal with the human suffering there.

Later on today I'll be meeting with the head of NATO, who has agreed to help the AU position troops so that humanitarian aid can reach these poor folks as well as getting—bringing stability and hopefully some breathing room so there can be a political agreement. But the President gave me some good advice on that situation, and I want to thank you for that.

As well, we'll discuss, later on, ways to cooperate to make the world a more peaceful place. But Mr. President, again, I really appreciate you coming. It's great to see you.

President Mbeki. Thank you very much, President. I must say thank you very much, Mr. President, for asking us to come. And again I must say I agree very much with the President about the state of the relations between our two governments and the two countries, indeed very strong. And President, I appreciate it very much the